



Planning Commission Memorandum

To: Planning Commission
From: Justin Fortney, City Planner
Date: September 14, 2015
Item: Public Hearing: Amend City Code Chapter 155 – Define and regulate taprooms and similar uses

Action Requested:

Hold a public hearing and consider an amendment to City Code Chapter 155 to define taprooms and similar uses in the city of Hastings.

History

In the past couple of years there has been mention of people interested in starting a taproom type business, but none of them have materialized. Although no one has officially proposed one so far, having a comprehensive ordinance in place would make the development of one much more likely. Additionally, one of these uses is currently being anticipated in the Hudson redevelopment project.

Analysis

The state statutes that regulates these types of uses is fairly complicated and has been amended several times in recent history. There are several categories of uses that are allowed and that are being operated throughout the state. The City Council will also be considering an amendment to the City's alcohol ordinance to include city licensure for these proposed uses, if adopted.

Below are the general uses that are allowed by state statute and becoming popular business models.

Brew Pub

These are restaurants first and foremost that brew their own beer for their restaurant. The beer is always sold on-sale, but can also be sold off-sale in Growlers (64 oz glass bottle). They may also sell other brands of beer, wine, or alcohol with the appropriate licenses. They are limited to producing 3,500 barrels of beer per year and may only sell it on/off-sale at the location it is produced at or other establishments owned by the same entity. Some examples of brew pubs are Granite City (Eagan, Maple Grove, Roseville, St. Cloud, and St. Louis Park) and Barley John's (New Brighton).

Brewery Taproom

These are breweries first and foremost that brew beer for distribution for sale at bars and liquor stores. An incidental use allowed by state statute is a retail taproom that allows for on/off-sale of beer produced on premises. They cannot sell any other alcoholic beverages. They may sell food, but usually do not. They often encourage patrons to buy food at area restaurants and bring it to the taproom. Taproom hours are sometimes 7-days per week, but are often Thursday through Sunday. The breweries are often manufacturing Monday through Friday.

Most brewery taprooms are operated in industrial zoning districts. This is often appropriate due to the principal operation being a manufacturing use and a taproom only being operated a few days out of the week. There is also the possibility that they would discontinue the operation of a taproom and only manufacture and distribute out of the facility. This could be seen as an incompatible use in a commercial district. There are however several taprooms that operate on a smaller production scale with a taproom being operated as a major part of the business rather than as an incidental uses. This uses would be considered as a microbrewery taproom.

Microbrewery Taproom

These are small breweries first and foremost that brew beer for distribution for sale at bars and liquor stores, but do and are required to have a major dedicated retail component. These would be limited to a maximum overall size and have a minimum floor area dedicated to on/off-sales at a retail level. Although they will have a major internal manufacturing component, they will operate a storefront as is expected in a commercial district.

Microdistillery

These are spirit distilleries that offer small amounts of tastings (45 ml/ person) and a small amount of off-sale spirits (375 ml/ person). These facilities would not have a retail component other than the small bottles that may be sold off-sale. This use alone would only be appropriate in an industrial zoning district. State statutes do allow a cocktail room to accompany a microdistillery.

Cocktail Room

These are retail on-sale establishments that would operate with a microdistillery where the sprits made on site could be purchased for on sale consumption. This is the spirit equivalent to a microbrewery taproom with the same size and operation requirements. Although they will have a major internal manufacturing component, they will operate a storefront as is expected in a commercial district. This use would be too commercially intense for an industrial district.

Uses allowed in commercial areas would be by Special Use Permit to assure all requirements relating to floor areas are met and maintained, along with truck access, parking, and waste disposal all being properly designed and constructed.

Attachments:

- Draft Ordinance Amendment
- Pictures and information relating to existing businesses described

DRAFT AMENDMENT

Brewery Taprooms and Similar Uses

Planning Commission Review – September 14, 2015

CHAPTER 155 – ZONING CODE

§ 155.02 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

(To be inserted alphabetically within existing definitions)

BREW PUB. A restaurant establishment holding an on-sale intoxicating liquor license in which malt liquor is brewed or manufactured solely for sale on tap on the licensed premises that shall be owned by the brewer.

BREWERY TAPROOM. An area on the premises of a brewery or on premises adjacent to a brewery owned by the brewer in which the brewer sells or otherwise provides exclusively malt liquor produced by the brewer for consumption within the brewery taproom.

COCKTAIL ROOM: A facility on or adjacent to premises owned by a micro distillery up to 5,000 square feet in area for the consumption of distilled spirits produced by the micro distillery provided a minimum 20 percent of the floor area is devoted to use as a cocktail room and accessory retail sales display area.

MICRO BREWERY TAPROOM. A small scale brewery owned by the brewer in which the brewer sells or otherwise provides exclusively malt liquor produced by the brewer for on or off-sale from the premises, up to 5,000 square feet in area provided a minimum 20 percent of the floor area is devoted to use as a brewer taproom and accessory retail sales display area.

MICRO DISTILLERY. A distillery which produces premium, distilled spirits in total quantity not to exceed forty thousand (40,000) proof gallons in a calendar year.

Districts

§ 155.30 C-3 COMMUNITY REGIONAL COMMERCE.

(C) Uses by special permit.

- (1) Automobile service stations and motor vehicle repair and wash;
- (2) Small animal clinics, excluding establishments with outside runs and non- patient overnight boarding;
- (3) Towers as regulated by § 155.07; and
- (4) Residential dwellings on the first floor level provided the dwelling is accessory to a commercial use, less than 50% of the first level floor area and is located in the rear of the building with a separate outside entrance. (Prior Code, § 10.20A) Penalty, see § 10.99

(1) Brew Pub

(2) Microbrewery Taproom

(3) Microdistillery with Cocktail Room

Note: C-1, C-2, C-4 allowable uses refer back to what is allowed in the C-3 District

§ 155.31 DC DOWNTOWN CORE.

(C) Uses by special permit.

- (1) Outdoor patio areas for entertainment, dining, and recreational activities;
- (2) Small animal clinics, excluding establishments with outside runs and non- patient overnight boarding;
- (3) Towers as regulated by § 155.07; and
- (4) Residential dwellings on the first floor level of buildings fronting the following streets:
 - (a) 1st Street between Vermillion Street and the CP Railroad Tracks;
 - (b) 3rd Street between Eddy Street and the CP Railroad Tracks;
 - (c) 4th Street between Eddy Street and the CP Railroad Tracks;
 - (d) Sibley Street between 3rd Street and 4th Street;

- (e) Ramsey Street between 1st Street and 4th Street;
- (f) Tyler Street between 1st Street and 4th Street; and
- (g) Bailey Street between 1st Street and 4th Street.

(1) Brew Pub

(2) Microbrewery Taproom

(3) Microdistillery with Cocktail Room

§ 155.34 I-1 INDUSTRIAL PARK.

(B) *Uses permitted.*

- (1) All fabricating, manufacturing, production or processing of materials, goods, and products provided the activity shall be undertaken within completely enclosed buildings, and provided further that any outdoor storage of raw materials or finished products shall be effectively screened by natural or manmade means from adjacent properties and public streets and highways;
- (2) Wholesaling, all commodities except live animals;
- (3) Building material sales and storage, provided that any outdoor storage of materials or finished products shall be effectively screened by natural or man made means from adjacent properties and public streets and highways; and (4) Retail and service uses incidental to the primary use of a building.

(4) Brewery Taproom

(5) Micro Distillery

Brew Pubs (Restaurants that also brew)

Granite City Food & Brewery

Eagan, Maple Grove, Roseville, St. Cloud, St. Louis Park



Barley John's Brew Pub

781 Old Hwy 8 SW

New Brighton, MN 55112



Taprooms (Breweries that also sell on site)

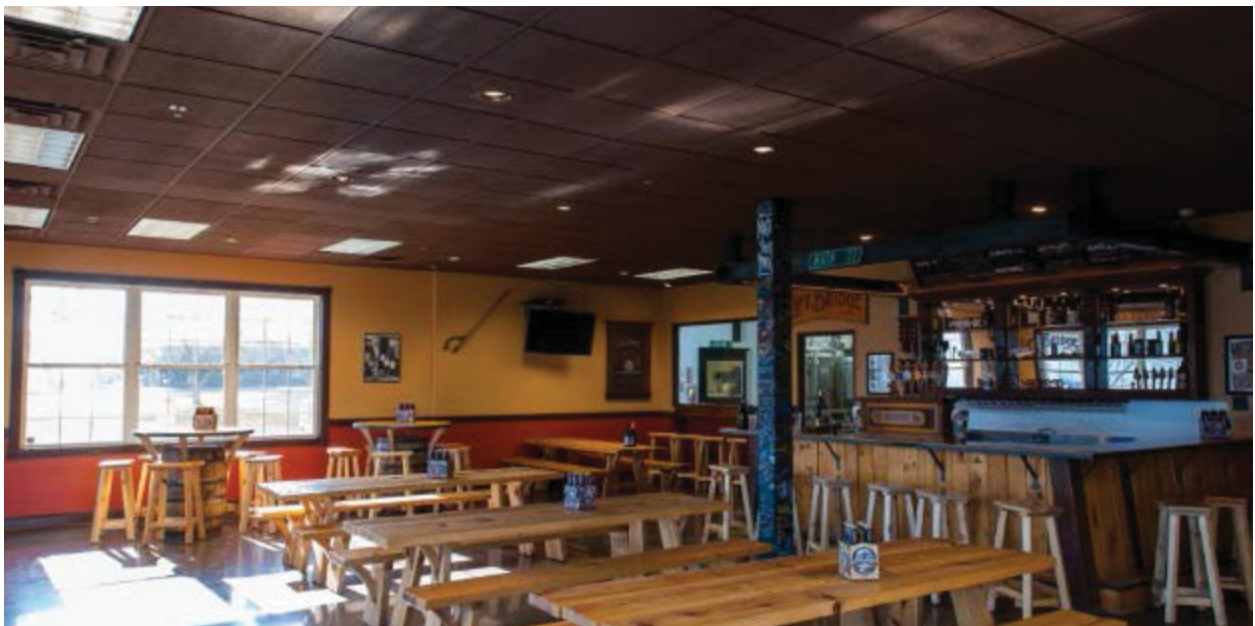
They are usually open for sales Thursday – Sunday and almost always in industrial areas.

Bent Paddle tap room – Duluth



Lift Bridge Brewing Company

1900 Tower Dr W
Stillwater, MN 55082



Rush River Brewing Co

990 Antler Ct
River Falls, WI 54022



Big Wood Brewery

2222 4th St
White Bear Lake, MN 55110

Zoned commercial

This taproom is licensed as a “microbrewery” and may only be up to 5,000 sf and must have 20% floor area devoted to retail sales.



HammerHeart Brewing Co.

7785 Lake Dr
Lino Lakes, MN 55014



American Sky Brewing Co.

1510 Swasey St
Hudson, WI 54016

Update- **they just closed the taproom**, so now it is just a brewery with no retail portion. Not what you want to happen in a commercial district, luckily its in an industrial zone.



Badger Hill Brewing

4571 Valley Industrial Blvd S #500

Shakopee, MN 55379



Lucid Brewing, LLC

6020 Culligan Way
Minnetonka, MN 55345

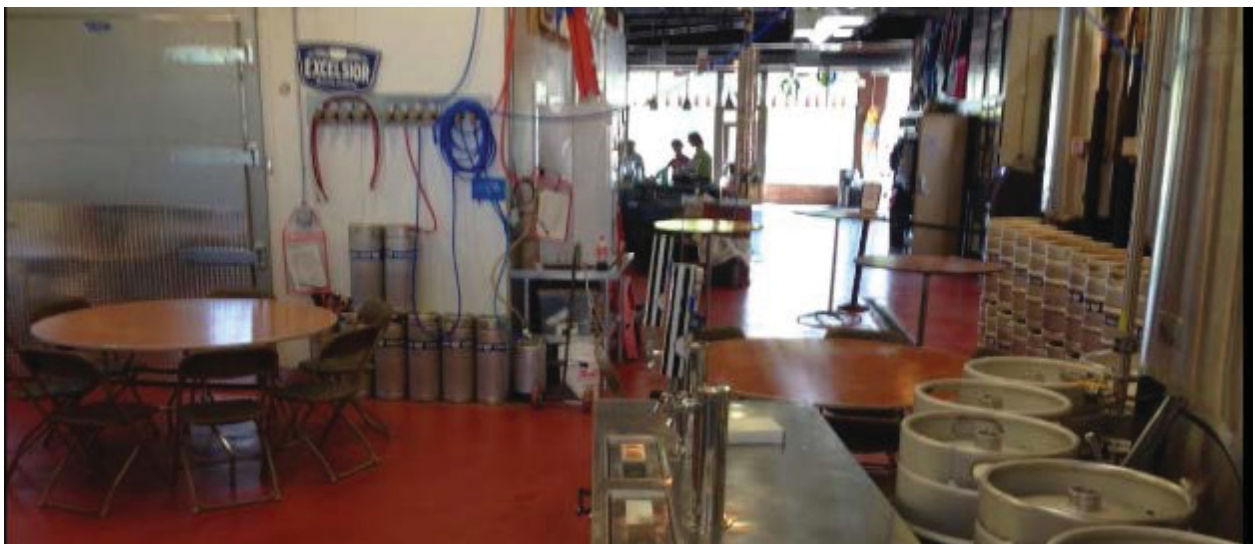
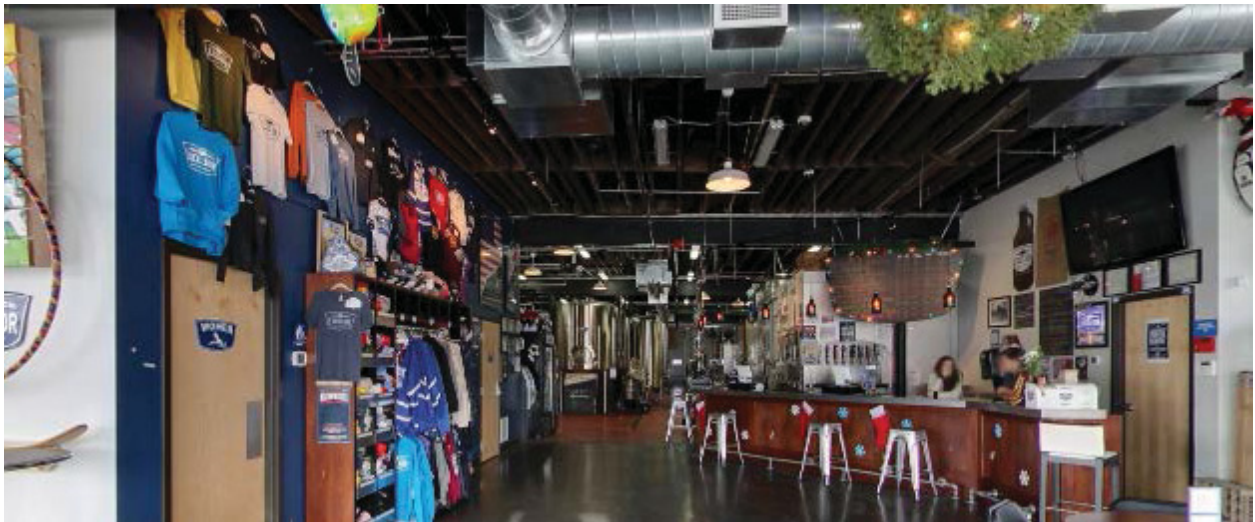


Excelsior Brewing Company

421 3rd St

Excelsior, MN 55331

zoned Commercial (50% of floor area must be for sales)



LTD Brewing Co.

8 8th Ave N

Hopkins, MN 55343

zoned commercial

Regulated as a brewpub, but they waved the food requirement...!



Micro Distilleries

45th Parallel Distillery

1570 Madison Ave
New Richmond, WI 54017



Skaalvenn Distillery

8601 73rd Ave N #28
Brooklyn Park, MN 55428



photo courtesy of Skaalvenn

"The craft spirit industry is where craft beer was ten plus years ago," says Tyson Schnitker. Schnitker and his wife Mary are two of the latest entrants into the vibrant craft spirits scene. In the coming months, they'll open Skaalvenn, Brooklyn Park's first distillery.



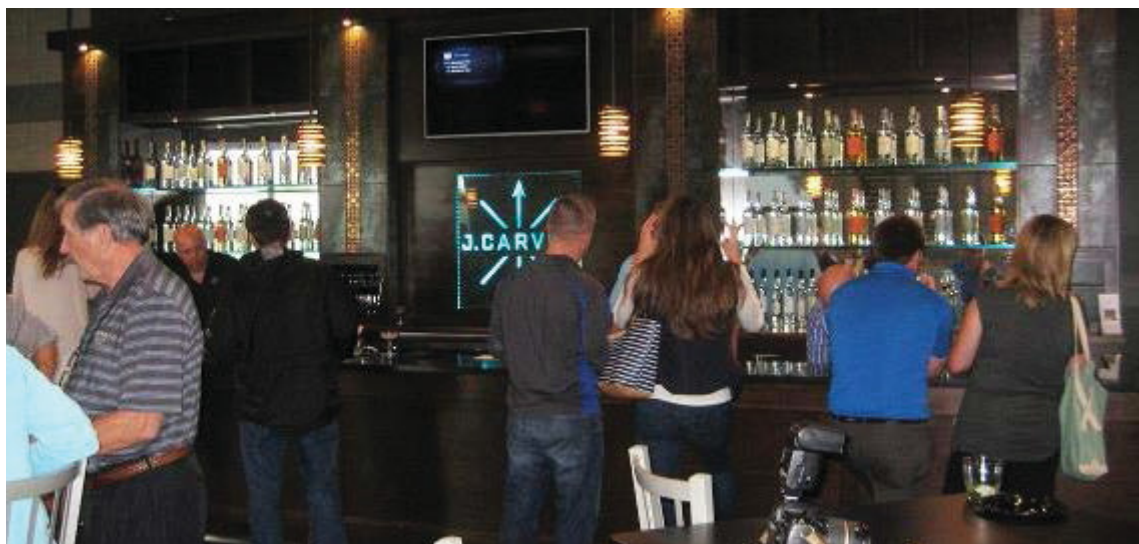
Norseman Distillery
451 Taft Street Northeast,
Minneapolis, MN 55413



J. Carver Distillery

1320 Mill Ln

Waconia, MN 55387



Vikre Distillery

525 S Lake Ave
Duluth, MN 55802

